

2011 DRAFTING REQUEST

Assembly Amendment (AA-AB20)

Received: **10/07/2011**

Received By: **mgallagh**

Wanted: **As time permits**

Companion to LRB:

For: **Peggy Krusick (608) 266-1733**

By/Representing: **Rep. Krusick**

May Contact:

Drafter: **mgallagh**

Subject: **State Govt - miscellaneous**

Addl. Drafters:

Extra Copies:

Submit via email: **YES**

Requester's email: **Rep.Krusick@legis.wisconsin.gov**

Carbon copy (CC:) to: **michael.gallagher@legis.wisconsin.gov**
Anna.Henning@legis.wisconsin.gov

Pre Topic:

No specific pre topic given

Topic:

Add reporting and disclosure requirements

Instructions:

See attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	mgallagh 10/07/2011	wjackson 10/07/2011		_____			
/P1	mgallagh 10/10/2011	wjackson 10/10/2011	rschluet 10/07/2011	_____	lparisi 10/07/2011		
/P2	mgallagh 10/10/2011	wjackson 10/10/2011	phenry 10/10/2011	_____	lparisi 10/10/2011		
/1			jfrantze	_____	mbarman	mbarman	

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
			10/10/2011 _____		10/10/2011	10/10/2011	

FE Sent For:

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/P2		phenry 10/10/2011		_____	lparisi 10/10/2011		

1 WJ 10/10
JG 10/10
Rh 10/10

*Please send
Jackets to
Rep. Mary
Williams
office.*

FE Sent For:

<END>

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/?	mgallagh	/plwlg 10/7		_____			

FE Sent For:

<END>



PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION
ASSEMBLY AMENDMENT ,
TO 2011 ASSEMBLY BILL 20

LPS:

There is
an insert to
an insert.

Inserts

1

At the locations indicated, amend the bill as follows:

2

Page 2, line 1: before that line insert:

3

INSERT A

Insert then delete this please

4

Page 2, line 1: delete "SECTION 1" and substitute "SECTION 1w".

5

(END)

Page 1, line 6: ^{delete} ~~insert~~ "man credits" ^{and} insert ^{and substitute} ~~insert~~
credits =
making changes to disclosure requirements regarding
state agency expenditures and requiring the exercise
of rule-making authority ^{and} providing a penalty
Page 1, line 7: after "appropriation" insert "and providing a penalty"

1. Expands the definition of grant to mean a payment, including a loan or tax credit, awarded to an entity, including a public utility or sewerage system operator.

2. Extends the disclosure requirement to cover authorities and other state governmental units entitled to expend state moneys, and to counties and other local governmental units.

3. Requires that DOA post information regarding the salaries, including benefits, bonuses, and pay increases, that grant recipients pay their employees.

4. Requires that DOA post a verified statement that is signed by both an independent certified public accountant and the director or principal officer of the grant recipient that describes how the recipient spent the grant.

5. Requires each state agency and county or other local governmental unit to develop policies and procedures for the detection and investigation of misuse of grants or the use of fraud or deceit to obtain grants. If a state agency or county or other local governmental unit detects any misuse of a grant or fraud, the state agency or county or other local governmental unit must report that misuse or fraud to the Department of Justice for investigation, including possible criminal investigation.

6. Finally, if it is determined that a grant recipient has misused the grant or committed fraud, the state agency or county or other local governmental unit may recover payments made to the recipient, withhold future payments to the recipient, or assess a forfeiture against the grant recipient.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

Freeze
SECTION #5

~~The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:~~

INSERT A

SECTION 16.413 (1) (b) of the statutes, as created by 2011 Wisconsin Act 32,

is amended to read:

16.413 (1) (b) "Grant" means a payment made to ~~a person, other than aids to~~
individuals and organizations and local assistance and the payment of salaries and
fringe benefits for state employees an entity, including a public utility as defined in
s. 196.01 (5) or a sewerage system operator as defined in s. 196.04 (4) (a). "Grant"
includes a loan and any tax credit, whether refundable or nonrefundable, that is
issued to an entity.

SECTION 16.413 (1) (d) of the statutes, as created by 2011 Wisconsin Act 32,

is amended to read:

1 16.413 (1) (d) "State agency" ~~has the meaning given in s. 20.001 (1)~~ means an
2 office, department, independent agency, institution of higher education, association,
3 society, or other body in state government created or authorized to be created by the
4 constitution or any law, which is entitled to expend moneys appropriated by law,
5 including the legislature and the courts and including an authority created in subch.
6 II of ch. 114 or subch. III of ch. 149 or in ch. 231, 232, 233, 234, 235, 237, 238, or 279.
7 "State agency" includes a local governmental unit, as defined in s. 16.97 (7).

8 SECTION 16.413 (3) (a) 6. and 7. of the statutes are created to read:

9 16.413 (3) (a) 6. An accounting by job classification of the compensation,
10 including benefits and bonuses or other incentive pay, that the grant recipient paid
11 to each of its employees in the immediately preceding fiscal year; and an accounting
12 of the percentage and dollar amount of increase in compensation, including benefits
13 and bonuses or other incentive pay, for each employee in the immediately preceding
14 fiscal year relative to the fiscal year prior to that year.

15 7. Once a grant recipient has spent a grant from a state agency, a verified
16 statement describing the recipient's expenditures of grant funds, signed by both an
17 independent certified public accountant and the director or principal officer of the
18 recipient that attests to the accuracy of the verified statement.

19 SECTION 16.413 (3) (c) and (d) of the statutes are created to read:

20 16.413 (3) (c) Each state agency shall be responsible for, and shall establish by
21 rule policies and procedures for, the detection and investigation of misuse of grants,
22 and the use of fraud or deceit to obtain grants, from the state agency. If a state agency
23 detects any misuse of a state grant or fraud, the state agency shall report that misuse
24 or fraud to the department of justice for investigation, including criminal
25 investigation.

(e) If, after investigation and an opportunity for hearing, a state agency determines that a ^{grant} recipient of a state grant has misused the grant or obtained or attempted to obtain the grant through fraud or deceit, the state agency may do any of the following:

1. Recover payments made to the recipient.
2. Withhold payments to be made to the recipient.
3. Assess a forfeiture against the recipient. 22/0

(END)

End INSERT A

2011-2012 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRBa1554/P1ins.
MPG:.....

1 INSERT A3-19

2 (c) 1. Each state agency that makes a grant shall make the verified statement
3 signed by the grant recipient under par. (a) 7. available for inspection on a searchable
4 Internet Web site maintained by the state agency.

5 2. Each person who receives a grant from a state agency and who maintained
6 an Internet Web site at any time during the 12 months preceding the person's receipt
7 of that grant, shall, for a period of at least 5 years, make the verified statement signed
8 by the person under par. (a) 7. available on a searchable Internet Web site
9 maintained by the person.

10 END INSERT A3-19

grant recipient

an

STEP

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recipient's

an



State of Wisconsin
2011 - 2012 LEGISLATURE



LRBa1554/P1

MPG:wjl:rs

Stays

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION
ASSEMBLY AMENDMENT ,
TO 2011 ASSEMBLY BILL 20

Now
please

Insert

concerning economic
development
programs

1 At the locations indicated, amend the bill as follows:

2 ↓ 1. Page 1, line 6: delete "credits and" and substitute "credits, making changes
3 to disclosure requirements regarding state agency expenditures, requiring the
4 exercise of rule-making authority".

5 ↓ 2. Page 1, line 7: after "appropriation" insert ", and providing a penalty".

6 ↓ 3. Page 2, line 1: before that line insert:

7 "SECTION 1c. 16.413 (1) (b) of the statutes, as created by 2011 Wisconsin Act
8 32, is amended to read:

9 16.413 (1) (b) "Grant" means a payment made to ~~a person, other than aids to~~
10 ~~individuals and organizations and local assistance and the payment of salaries and~~
11 ~~fringe benefits for state employees~~ an entity, including a public utility as defined in
12 s. 196.01 (5) or a sewerage system operator as defined in s. 196.04 (4) (a). "Grant"

1 includes a loan and any tax credit, whether refundable or nonrefundable, that is
2 issued to an entity.

3 **SECTION 1g.** 16.413 (1) (d) of the statutes, as created by 2011 Wisconsin Act 32,
4 is amended to read:

5 16.413 (1) (d) "State agency" ~~has the meaning given in s. 20.001 (1)~~ means an
6 office, department, independent agency, institution of higher education, association,
7 society, or other body in state government created or authorized to be created by the
8 constitution or any law, which is entitled to expend moneys appropriated by law,
9 including the legislature and the courts and including an authority created in subch.
10 II of ch. 114 or subch. III of ch. 149 or in ch. 231, 232, 233, 234, 235, 237, 238, or 279.
11 "State agency" includes a local governmental unit, as defined in s. 16.97 (7).

12 **SECTION 1n.** 16.413 (3) (a) 6. and 7. of the statutes are created to read:

13 16.413 (3) (a) 6. ~~An~~ accounting by job classification of the compensation,
14 including benefits and bonuses or other incentive pay, that the grant recipient paid
15 to each of its employees in the immediately preceding fiscal year; and an accounting
16 of the percentage and dollar amount of increase in compensation, including benefits
17 and bonuses or other incentive pay, for each employee in the immediately preceding
18 fiscal year relative to the fiscal year prior to that year.

19 7. ~~Once~~ a grant recipient has spent a grant from a state agency, a verified
20 statement describing the recipient's expenditures of grant funds, signed by both an
21 independent certified public accountant and the director or principal officer of the
22 recipient that attests to the accuracy of the verified statement.

23 **SECTION 1r.** 16.413 (3) (c), (d) and (e) of the statutes are created to read:

24 ~~With respect to any grant that is related to~~ ^{an} ~~economic development~~
25 ~~program, as defined in s. 238.01 (3);~~

Use 2k

for which a verified statement is required
under par. (a) 7.

1 16.413 (3) (c) 1. Each state agency that makes a grant shall make ~~the~~ ^{that} verified
2 statement ~~signed by the grant recipient under par. (a) 7.~~ available for inspection on
3 an Internet Web site maintained by the state agency.

4 2. Each grant recipient ~~that~~ ^{and that} maintained an Internet Web site at any time
5 during the 12 months preceding the recipient's receipt of that grant, shall, for a
6 period of at least 5 years, make the verified statement signed by the grant recipient
7 under par. (a) 7. available on an Internet Web site maintained by the grant recipient.

8 (d) Each state agency shall be responsible for, and shall establish by rule
9 policies and procedures for, the detection and investigation of misuse of grants, and
10 the use of fraud or deceit to obtain grants, from the state agency. If a state agency
11 detects any misuse of a state grant or fraud, the state agency shall report that misuse
12 or fraud to the department of justice for investigation, including criminal
13 investigation.

14 (e) If, after investigation and an opportunity for hearing, a state agency
15 determines that a grant recipient has misused the grant or obtained or attempted
16 to obtain the grant through fraud or deceit, the state agency may do any of the
17 following:

- 18 1. Recover payments made to the recipient.
19 2. Withhold payments to be made to the recipient.
20 3. Assess a forfeiture against the recipient."

21 4. Page 2, line 1: delete "SECTION 1" and substitute "SECTION 1w".

22 (END)

**2011-2012 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRBa1554/P2ins.
MPG:.....

(b) ↓
Frozen

1 INSERT 2-11

2 SECTION (1) 16.413 (3) (a) (intro.) of the statutes, as created by 2011 Wisconsin
3 Act 32, is amended to read:

4 16.413 (3) (a) (intro.) The department shall ensure that all of the following
5 information relating to each grant made by a state agency that exceeds \$100 or
6 contract entered into by a state agency is available for inspection on a searchable
7 Internet Web site maintained by the department:

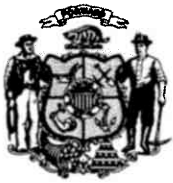
8 History: 2011 a. 32.

8 END INSERT 2-11

9 INSERT 3-7

10 3. The department shall attempt to ensure coordination between the
11 department, the Wisconsin Economic Development Corporation, any other state
12 agency that administers economic development programs, as defined in s. 238.01 (3),
13 and the federal government concerning the award of grants under those economic
14 development programs and the disclosures required under this subsection with
15 respect to those economic development programs.

16 END INSERT 3-7



State of Wisconsin
2011 - 2012 LEGISLATURE



LRBa1554/P2
MPG:wlj:ph

stays

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION
ASSEMBLY AMENDMENT ,
TO 2011 ASSEMBLY BILL 20

At the locations indicated, amend the bill as follows:

1. Page 1, line 6: delete “credits and” and substitute “credits, making changes to disclosure requirements regarding state agency expenditures concerning economic development programs, requiring the exercise of rule-making authority,”.

2. Page 1, line 7: after “appropriation” insert “, and providing a penalty”.

3. Page 2, line 1: before that line insert:

“SECTION 1c. 16.413 (1) (b) of the statutes, as created by 2011 Wisconsin Act 32, is amended to read:

16.413 (1) (b) “Grant” means a payment made to ~~a person, other than aids to individuals and organizations and local assistance and the payment of salaries and fringe benefits for state employees~~ an entity, including a public utility as defined in s. 196.01 (5) or a sewerage system operator as defined in s. 196.04 (4) (a). “Grant”

1 includes a loan and any tax credit, whether refundable or nonrefundable, that is
2 issued to an entity.

3 **SECTION 1g.** 16.413 (1) (d) of the statutes, as created by 2011 Wisconsin Act 32,
4 is amended to read:

5 16.413 (1) (d) "State agency" ~~has the meaning given in s. 20.001 (1)~~ means an
6 office, department, independent agency, institution of higher education, association,
7 society, or other body in state government created or authorized to be created by the
8 constitution or any law, which is entitled to expend moneys appropriated by law,
9 including the legislature and the courts and including an authority created in subch.
10 II of ch. 114 or subch. III of ch. 149 or in ch. 231, 232, 233, 234, 235, 237, 238, or 279.
11 "State agency" includes a local governmental unit, as defined in s. 16.97 (7).

12 **SECTION 1j.** 16.413 (3) (a) (intro.) of the statutes, as created by 2011 Wisconsin
13 Act 32, is amended to read:

14 16.413 (3) (a) (intro.) The department shall ensure that all of the following
15 information relating to each grant that exceeds \$100 made by a state agency or
16 contract entered into by a state agency is available for inspection on a searchable
17 Internet Web site maintained by the department:

18 **SECTION 1n.** 16.413 (3) (a) 6. and 7. of the statutes are created to read:

19 16.413 (3) (a) 6. With respect to any grant that is related to an economic
20 development program, as defined in s. 238.01 (3); an accounting by job classification
21 of the compensation, including benefits and bonuses or other incentive pay, that the
22 grant recipient paid to each of its employees in the immediately preceding fiscal year;
23 and an accounting of the percentage and dollar amount of increase in compensation,
24 including benefits and bonuses or other incentive pay, for each employee in the
25 immediately preceding fiscal year relative to the fiscal year prior to that year.

1 7. With respect to any grant that is related to an economic development
2 program, as defined in s. 238.01 (3); once a grant recipient has spent a grant from a
3 state agency, a verified statement describing the recipient's expenditures of grant
4 funds, signed by both an independent certified public accountant and the director or
5 principal officer of the recipient that attests to the accuracy of the verified statement.

6 **SECTION 1r.** 16.413 (3) (c), (d) and (e) of the statutes are created to read:

7 16.413 (3) (c) 1. Each state agency that makes a grant for which a verified
8 statement is required under par. (a) 7. shall make that verified statement available
9 for inspection on an Internet Web site maintained by the state agency.

10 2. Each grant recipient for which a verified statement is required under par.
11 (a) 7. and that maintained an Internet Web site at any time during the 12 months
12 preceding the recipient's receipt of that grant, shall, for a period of at least 5 years,
13 make the verified statement signed by the grant recipient under par. (a) 7. available
14 on an Internet Web site maintained by the grant recipient.

15 3. The department shall attempt to ensure coordination between the
16 department, the Wisconsin Economic Development Corporation, any other state
17 agency that administers economic development programs, as defined in s. 238.01 (3),
18 and the federal government concerning the award of grants under those economic
19 development programs and the disclosures required under this subsection with
20 respect to those economic development programs.

21 (d) Each state agency shall be responsible for, and shall establish by rule
22 policies and procedures for, the detection and investigation of misuse of grants, and
23 the use of fraud or deceit to obtain grants, from the state agency. If a state agency
24 detects any misuse of a state grant or fraud, the state agency shall report that misuse

1 or fraud to the department of justice for investigation, including criminal
2 investigation.

3 (e) If, after investigation and an opportunity for hearing, a state agency
4 determines that a grant recipient has misused the grant or obtained or attempted
5 to obtain the grant through fraud or deceit, the state agency may do any of the
6 following:

7 1. Recover payments made to the recipient.

8 2. Withhold payments to be made to the recipient.

9 3. Assess a forfeiture against the recipient.”.

10 **4.** Page 2, line 1: delete “**SECTION 1**” and substitute “**SECTION 1w**”.

11 (END)